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### INTERNATIONAL RELATIONS AND U.S. FOREIGN POLICY

#### **REPORTS**

### **Trafficking in Persons Report 2014**

U.S. Department of State. June 20, 2014.

"The U.S. Department of State prepared this report using information from U.S. embassies, government officials, non-governmental and international organizations, published reports, news articles, academic studies, research trips to every region of the world... U.S. diplomatic posts and domestic agencies reported on the trafficking situation and governmental action to fight trafficking based on thorough research that included meetings with a wide variety of government officials, local and international NGO representatives, officials of international organizations, journalists, academics, and survivors. U.S. missions overseas are dedicated to covering human trafficking issues. The 2014 TIP Report covers government efforts undertaken from April 1, 2013 through March 31, 2014."

### The Strength of American Leadership, the Power of Collective Action

Keynote Address by National Security Advisor Susan E. Rice at the Center for a New American Security Annual Conference. Washington, DC. June 11, 2014.

"Collective action has long been the hallmark of effective American leadership. The United Nations, NATO and our Asian alliances were all built on the foundation of American strength and American values. American leadership established the Bretton Woods system and supported open markets, spurring a rapid rise in global living standards. Nor is this approach the province of one political party. It was President Reagan who negotiated the Montreal Protocol, hailed today as our most successful international environmental treaty... Now, our approach must meet the new demands of a complex and rapidly changing world. The architecture that we built in the 20th century must be re-energized to deal with the challenges of the 21st. With emerging powers, we must be able to collaborate where our interests converge but define our differences and defend our interests where they diverge. Our

coalitions may be more fluid than in the past, but the basics haven't changed. When we spur collective action, we deliver outcomes that are more legitimate, more sustainable, and less costly."

### **Renewed Focus on European Energy Security**

Testimony of Hoyt Yee, Deputy Assistant Secretary, Bureau of European and Eurasian Affairs, U.S. Department of State Before the Senate Foreign Relations Committee. July 8, 2014.

"My testimony today will examine each of these challenges and how United States policy is moving to bolster our Allies in their efforts to tackle them. First, I will address how we are providing Allied reassurance to frontline states from the Baltic to the Black Sea at this critical time. Second, I will briefly touch on the current European energy security landscape—particularly in Central and Eastern Europe— as awareness of the region's reliance on Russian gas has increased precipitously. DAS Hochstein has addressed this area in greater detail in his remarks. Finally, I will focus on how corruption is infusing so many elements of political and economic life in the region—including the energy sector—and how the United States is mounting new efforts to help countries in the region root it out."

# Fact Sheet: Bringing the U.S. War in Afghanistan to a Responsible End The White House. May 27, 2014.

"Since the attacks of September 11, 2001, the United States and Afghanistan have partnered together to respond to threats to international peace and security and to help the Afghan people chart a secure, democratic, and prosperous future. Since President Obama took office in 2009, we have pursued a focused strategy, alongside our NATO allies and partners, to strengthen the capacity of Afghanistan's security forces and government to take full responsibility for their country's future while we have struck significant blows against al-Qa'ida's leadership and prevented Afghanistan from being used to launch attacks against our homeland. Today's announcement by President Obama continues this strategy by responsibly drawing down the U.S. military presence to end our combat mission and giving the Afghan people the opportunity to succeed as they stand on their own."

#### The Contest for Regional Leadership in the New Middle East

Cook, Steven A. Center for a New American Security. June 2014 [PDF format, 20 pages]

"This report shows how, in addition to the historic political change occurring within the major states of the Middle East, there is a transformative process underway remaking the dynamics among the states of the region. The reordering of the geopolitics of the region has exposed rivalries among the contenders for leadership, as well as different ideological, economic, nationalistic and sectarian agendas. The authors argue that Washington has sought to accommodate these changes in a way that continues to secure its strategic interests. What role the United States will play in a "new Middle East" is the subject of intense debate among Americans, Arabs and Turks. Nevertheless, it is clear that with all the problems regional powers have confronted trying to shape the politics of the region, American leadership will continue to

be indispensable." Steven A. Cook is Hasib J. Sabbagh senior fellow for Middle Eastern studies at the Council on Foreign Relations.

The New "Great Game" in the Middle East: Looking Beyond the "Islamic State" and Iraq
Anthony H. Cordesman. Center for Strategic and International Studies (CSIS). July 9, 2014 [PDF format, 16 pages]

"The U.S. cannot simply intervene in Iraq by attacking ISIS/ISIL. It is a major movement in Syria as well as Iraq. The U.S. must also find some way to limit and roll back ISIS/ISIL — without taking sides in Iraq's broader civil war. At the same time, creating anything approaching a stable Iraq means creating new and lasting political bridges across Iraq's increasingly polarized and divided factions as well as helping to create a more effective and truly national government in Iraq, as well as rebuild Iraqi forces that serve the nation, rather than an increasingly authoritarian Shi'ite leader. It is far from clear that the U.S. can do this, and Syria and Iraq are only the most visible challenges taking place in the strategic game board that shapes the Middle East. The U.S. must also deal with a much broader set of new strategic forces that go far beyond Iraq's borders. The U.S. must change the structure of its de facto alliances with key Arab states in the region, and it must deal with new forms of competition — or "Great Game" with Russia — and possibly China, as well." Anthony H. Cordesman holds the Arleigh A. Burke Chair in Strategy at the Centr for Strategic and International Studies.

### **Iraq Crisis and U.S. Policy**

Katzman, Kenneth, et. al. Congressional Research Service, Library of Congress. July 3, 2014 [PDF format, 16 pages]

"The offensive in northern and central Iraq, led by the Sunni Islamist insurgent and terrorist group the Islamic State of Iraq and the Levant (ISIL, aka ISIS) has raised significant concerns for the United States. These concerns include a possible breakup of Iraq's political and territorial order and the establishment of a potential base for terrorist attacks in the region or even against the U.S. homeland. The crisis has raised several questions for U.S. policy because it represents the apparent unraveling of a seemingly stable and secure Iraq that was in place when U.S. combat troops departed Iraq at the end of 2011... An aspect of the U.S. response could potentially involve working with Iran to reform the Iraqi political structure and to try to roll back the ISIL gains. Doing so would raise the potential of linkage between possible U.S.-Iran cooperation on Iraq and the ongoing international diplomacy on Iran's nuclear program. Many Sunnis in Iraq and elsewhere in the region view any U.S. engagement with Iran with suspicion and hostility, raising the stakes of such potential coordination considerably. U.S. officials have generally dismissed prospects for direct military cooperation with Iran." Kenneth Katzman is an Specialist in Middle Eastern Affairs at the CRS.

### Armed Conflict in Syria: Overview and U.S. Response

Blanchard, Christopher. Congressional Research Service, Library of Congress. June 24, 2014 [PDF format, 25 pages]

"The negative effects of the humanitarian and regional security crises emanating from Syria now appear to be beyond the power of any single actor, including the United States, to independently contain or fully address. The region-wide flood of Syrian refugees, the growth of armed extremist groups in Syria, and the assertive involvement of Iran, Turkey, and Sunni Arab governments in Syria's civil war are negatively affecting overall regional stability. The war in Syria also is exacerbating local sectarian and political conflicts within Lebanon and Iraq, where violence is escalating and threatens national stability. Policy makers in the United States and other countries appear to feel both compelled to respond to these crises and cautious in considering options for doing so that may have political and security risks such as the commitment of military forces to combat or the provision of large-scale material assistance to armed elements of the opposition. In light of these conditions and trends, Congress may face tough choices about U.S. policy toward Syria and the related expenditure of U.S. relief and security assistance funds for years to come." *Christopher M. Blanchard, Coordinator and Specialist in Middle Eastern Affairs at the CRS*.

### **Dynamic Stalemate: Surveying Syria's Military Landscape**

Lister, Charles. Brookings Doha Center. May 2014 [PDF format, 26 pages]

"The conflict in Syria has become an intensely complex affair, incorporating overlapping political, religious, sectarian, ethnic, and tribal narratives. The anti-government insurgency currently involves approximately 100,000-120,000 fighters—roughly 7,000-10,000 of whom are non-Syrian nationals—divided among over 1,000 distinct armed units... The conflict in Syria today is extremely com¬plex and is no longer restricted to Syrian territory. Three years on, a stalemate is steadily consolidating itself as a definitive military victory appears out of reach for all sides. As such, a political solution appears to be the only viable way of ending the internal opposi-tion versus government conflict. However, the proliferation of armed groups and the opening up of additional fronts in the conflict suggest that any future political agreement between the existing government and any opposition will be unlikely to put an end to the conflict altogether." Charles Lister is a visiting fellow at the Brookings Doha Center.

### The Rising Costs of Turkey's Syrian Quagmire

International Crisis Group. April 30, 2014 [Note: contains copyrighted material] [PDF format, 54 pages]

Continuous refugee flows from Syria are stretching Turkey's capacities and necessitate long-term adjustments as well as stronger international engagement to better share the burden, according to the report. "Turkey needs to ensure that refugees fleeing Syria are able to access safe territory and receive international protection within a legal framework, but it should not have to pay for this alone. Turks have accepted the Syrians on behalf of the wider international community, which has a responsibility to share more of the growing burden. The high costs of building and maintaining shelters mean most newcomers end up outside the camps: the official number of such urban Syrians is around 500,000, but in reality it could be twice that. The influx puts pressure on local infrastructures and creates social tensions. As resources and patience stretch thin and security incidents proliferate, Turkey's open door policy has its limits. Even

with stricter border controls, however, Syrians continue to arrive, often illegally. Ankara needs a comprehensive accommodation strategy, including giving refugees the option to integrate into Turkish society through jobs, access to social care, language training and education."

# <u>The Transformation of Arab Activism: New Contexts, Domestic Institutions, and Regional</u> Rivalries

Khatib, Lina; Lust Ellen. Project on Middle East Democracy. May 15, 2014 [PDF format, 6 pages]

"The trajectories of regimes where elites have thus far survived the uprisings are equally diverse. For instance, in Morocco and Jordan, opposition activists have been largely quieted, moving away from street demonstrations and a focus on broad socio-political demands. In Lebanon, interlinked domestic and regional issues confront activists on all sides, as they respond to domestic tensions and the conflict in neighboring Syria. In Syria, activists are divided over militarization of the Syrian conflict, as well as appropriate responses to overtures by the international community and the regime. As the international community seeks to support emerging political voices in the Arab world, it is clear that there is no "one-size-fits-all" model for this support. From a series of country-specific cases, this policy brief analyzes three trends: the role of institutional structures and regime type in shaping activist behavior, changing contexts and new modes of activism, and the heightened influence of regional actors." Lina Khatib is the Director of the Carnegie Middle East Center in Beirut. Ellen Lust is an Associate Professor in the Department of Political Science at Yale University and a Nonresident Senior Fellow at the Project on Middle East Democracy (POMED). Her books include Structuring Conflict in the Arab World and Political Participation in the Middle East (Cambridge University Press, 2017), co-edited with Saloua Zerhouni.

# Strategy and Statecraft: An Agenda for the United States in an Era of Compounding Complexity

Stokes, Jacob; Smith, Julianne. Center for a New American Security. June 9, 2014 [PDF format, 28 pages]

This report analyzes the current foreign policy landscape and lays out an agenda for solving the biggest challenges facing U.S. global strategy. Examines the major problems U.S. policymakers confront when it comes to managing America's role as world leader. The authors explore the core challenges the United States must meet in the areas of strategy and statecraft. Strategic obstacles include the growing diversity of actors, the increasing use of asymmetric capabilities and tactics, the evolving role of allies and partners, the eroding foundations of the international order and the blurring of lines between domestic and foreign policy. In terms of statecraft, the authors explore the ongoing civilian response gap, evolution of military tools, challenges presented by new or revitalized tools, waning U.S. influence in international organizations, contradictory public opinion and the government's inability to manage risk. effectively. *Julianne Smith is a senior fellow and director of the Strategy and Statecraft Program at the Center for a New American Security. Jacob Stokes is the Bacevich Fellow at the Center for a New American Security.* 

### **Power and Order in Asia**

Green, Michael J.; Szechenyi, Nicholas. Center for Strategic & International Studies (CSIS). June 5, 2014 [Note: contains copyrighted material] [PDF format, 35 pages]

"Asia stands out as the world's most vibrant region, where rivalries and confrontation coincide with increased economic cooperation and community building. How should we interpret these two dynamics, and what are the implications for U.S. policy? With the support of the MacArthur Foundation, Asahi Shimbun, Joongang Ilbo, and China Times, the Center for Strategic and International Studies (CSIS) collaborated with Opinion Dynamics Corporation on a survey of strategic elites in 11 Asia Pacific economies... Although regional elites (outside of China) tend to be supportive of the U.S. goal of rebalancing to Asia, most of those in the region question the administration's implementation of the rebalance. U.S. leaders need to convince allies and partners that the rebalance is real and that it is being properly resourced, not only in the military sphere, but also in the economic and values areas. Asian elites are judging the U.S. rebalance based on deeds rather than words. Most Asian elites believe that the Trans-Pacific Partnership is an important economic framework for countries in the region, even elites in countries that are not currently engaged in TPP negotiations." Michael J. Green is senior vice president for Asia and Japan Chair at the Center for Strategic and International Studies (CSIS) and an associate professor at the Edmund A. Walsh School of Foreign Service at Georgetown University. Nicholas Szechenyi is deputy director of the Japan Chair at CSIS, where he is also a senior fellow.

### The United States, Japan, and the Trans-Pacific Partnership

Schott, Jeffrey J. Peterson Institute for International Economics. June 2, 2014 [PDF format, 17 pages]

"Over the past two decades, the United States and Japan built an extensive network of free trade agreements (FTAs) with countries in the Asia —Pacific region but did not move forward with bilateral talks. Japan's Participation in the Trans-Pacific Partnership (TPP) marks the first such venture, albeit in the context of broader regional negotiations. Japan makes the TPP a big deal for the United States. Its GDP is the same as the combined total of the non-US participants. So from a US perspective, adding Japan doubles the size of the trading arrangement covered by the prospective TPP accord... Congress pass new TPA? It was last voted by Congress in 2002 and expired In 2007. New TPA legislation was tabled January 2014 but was quickly side-tracked by partisan differences regarding (1) the coverage of sensitive issues such as intellectual property, labor, environment, and currency manipulation; and (2) the change in Senate Finance leadership with the departure of Senator Max Baucus. Demands to link TPA renewal to trade adjustment assistance have added fuel to the partisan fires." Jeffrey J. Schott is a senior fellow working on international trade policy and economic sanctions at the Peterson Institute for International Economics.

<u>Fueling a New Order? The New Geopolitical and Security Consequences of Energy</u>
Jones, Bruce, et. al. The Brookings Institution. March 2014 [PDF format, 27 pages]

"This paper examines impacts of the major transformation in international energy markets that has begun. The United States is poised to overtake Saudi Arabia and Russia as the world's largest oil producer and, combined with new developments in natural gas, is on track to become the dominant player in global energy markets... These changes have profound geopolitical consequences, including in terms of security relations among the world's top powers. Two things are clear: that these changes are strengthening America's hand in the world; and that changes in global energy production and consumption are increasingly exposing the emerging powers to risks... In addition to direct geopolitical risks, there are a set of risks that arise when strong international energy markets meet weak state institutions—or weak states altogether. These run the gamut from nuclear proliferation to pipeline security to conflict in fragile states to energy poverty. Global institutions are not yet well-configured to help. Despite a recent proliferation of institutions, crucial gaps remain, and they fall short of an effective system for global energy governance. A combination of American leadership, overlapping interests with the emerging Asian powers and G-20 creativity are the most likely channels for knitting a more effective system for energy and climate governance." Bruce Jones is a senior fellow and the director of the Project on International Order and Strategy at Brookings Institution and chair of the advisory council of the Center on International Cooperation at New York University.

### **Limiting Armed Drone Proliferation**

Zenko, Micah; Kreps, Sarah. Council on Foreign Relations. June 2014 [PDF format, 53 pages]

"The Obama administration should pursue a strategy that places clear limits on its own sale and use of armed drones lest these weapons proliferate and their use becomes widespread. These are the central findings of this new report that lays out several reasons why armed drones are unique in their ability to destabilize relations and intensify conflict. Unmanned aircraft reduce the threshold for authorizing military action by eliminating pilot casualty, potentially increasing the frequency of force deployment. Because there is no onboard pilot, drones are less responsive to warnings that could defuse or prevent a clash. Furthermore, countries may fire on a manned fighter plane, mistaking it for an armed drone, which could increase the likelihood of conflict." The authors write that the Obama administration faces two broad policy decisions: first, to determine the criteria and principles that would guide exports of drones; and second, to cultivate a set of norms and practices to govern their use. Micah Zenko is the Douglas Dillon fellow in the Center for Preventive Action at the Council on Foreign Relations. Sarah Kreps is a Stanton nuclear security fellow at the Council on Foreign Relations.

#### **ARTICLES**

### **Europe—and NATO—Are Back**

Brown, Bernard E. American Foreign Policy Interests. Summer 2014, pp. 201-209.

"The Ukrainian crisis has focused attention on the European Union and NATO. Brussels and Moscow have become powerful symbols of two different ways of politics and life. But the European defense structures built so laboriously over the past two decades have proved

irrelevant. Meeting the new threat from the East requires a joint effort by Europeans and Americans—in large measure through NATO. Yet, Ukraine is not a full member of the Alliance, hence is not covered by the Article 5 security assurance. President Putin is intent on increasing Russian power in the world—by creating a Eurasian economic association that will rival the EU, by forming with the EU a pan-European security system to replace NATO, and ultimately by challenging and transforming the U.S.-centered international order. Europe, NATO, and geopolitics are back." Bernard E. Brown is Professor Emeritus of Political Science at the CUNY Graduate School and Director of the Transatlantic Relations project of the National Committee on American Foreign Policy.

### **Ctrl+Alt+Delete: Resetting America's Military**

Brimley, Shawn, and Paul Scharre. Foreign Policy. May/June 2014, pp. 58-61.

"What if we could start from scratch? What might the U.S. military look like if we hit Ctrl+Alt+Delete and reset the force? Would we establish a separate Army, Navy, Air Force, and Marine Corps? Would we give them the overlapping capabilities -- planes and helicopters, commandos and cyberspace units -- that they have today? Would we give regional commanders the power of veritable viceroys? As budgets tighten, other powers rise, and technologies proliferate, it is time to stop and ask: Is there a better way? What follows is a thought experiment about what the U.S. military might look like if we started today with a blank slate. In our vision, the military would be organized around its three overarching missions: defend the homeland, defeat adversaries, and maintain a stabilizing presence abroad -- themes that run through defense strategy documents over the last quarter-century, regardless of presidential administration. In a revolutionary break from current practice, these new commands would be responsible not only for executing these core missions, but also for developing the capabilities to achieve them. We would invest more in robotics systems of all kinds, protect existing special operations and cyberspace capabilities, and reduce less relevant capabilities like short-range aircraft and tanks." Shawn Brimley is executive vice president and director of studies at the Center for a New American Security (CNAS). He worked as special advisor to the U.S. undersecretary of defense for policy from 2009 to 2011. Paul Scharre is a fellow at CNAS and project director of its 20YY Warfare Initiative.

### The International Relations of the Arab Spring

Katz, Mark N. Middle East Policy. Summer 2014, pp.76-84.

"Revolution does not just change things inside one country. It can disrupt international relationships throughout an entire region or even the world. What impact have the "Arab Spring" revolutions had on the international relations of the countries experiencing them, the Middle East, and the world? Have these upheavals been as disruptive of international relations as other revolutions? It will be argued here that, unlike what would occur if revolution succeeded in Syria or Bahrain, the Arab Spring revolutions that have succeeded in Tunisia, Egypt, Libya and Yemen have had a remarkably nondisruptive impact on international relations. To understand just how remarkable this is, though, something needs to be said about just how

much revolution has disrupted international relations in the past." Dr. Mark N. Katz is professor of government and politics at George Mason University.

### Water Insecurity, Climate Change and Governance in the Arab World

Greenwood, Scott. Middle East Policy. Summer, 2014, pp. 140-156.

"In an effort to identify and illustrate some of the potential challenges that increasing water scarcity and projected climate changes pose for Arab governments, this article offers a preliminary analysis of water politics in the Hashemite Kingdom of Jordan.4 It is one of the most water-poor countries in the Middle East and the most water-stressed Arab country in the Levant... The article will conclude with a detailed discussion of four critical challenges that climate change and increasing water scarcity pose for Arab states: managing groundwater resources more effectively, satisfying growing urban demand for water, coping with the potential for increased social and political instability, and meeting the challenge of ineffective governance. Overall, the article demonstrates that climate change and growing water insecurity pose significant threats to the patron client links that Arab leaders have built up over time with key social groups such as tribes, farmers and urban water consumers, particularly those in areas with poorly maintained water infrastructure." Scott Greenwood is associate professor of political science and global studies at California State University, San Marcos.

### The Syrian Tragedy and Precedent

Stevenson, Jonathan. Survival. June/July 2014, pp. 121-140.

"The administration's successful continuation of its current Syria policy, and with it these subsidiary positions, would crystallize its overarching effort to decisively privilege diplomacy over the use of force in the implementation of US strategy. Furthermore, given jihadists' rising involvement in the Syrian conflict, it would do so in dealing with non-state as well as state actors. This would be a major foreign-policy achievement. While there remains some doubt as to whether the US will be able to satisfactorily resolve Syria's ongoing crisis without using military force, such an outcome appears at least plausible... If Obama can see the Syria crisis through to a sustainable political transition without resorting to armed intervention, his foreign-policy agenda will have yielded the most credible and substantial American effort thus far to exalt diplomacy over the use of force. Furthermore, in using diplomacy not only to end the transgressions of a rogue state but also to thwart the rise of transnational jihadist terrorism, the administration will have set a broad precedent that most major and regional powers would be apt to follow in a wide range of situations. Enlisting Iran in the effort to establish this precedent would make it truly historic, and all the more compelling." Jonathan Stevenson is a Professor of Strategic Studies at the US Naval War College and a Contributing Editor of Survival. He was Director for Political-Military Affairs for the Middle East and North Africa on the US National Security Council staff from November 2011 to May 2013.

### **The Jihad Next Door**

Abouzeid, Rania. Politico Magazine. June 23, 2014, var. pages.

"The Syrian revolution—and the hesitant, confused international reaction to it—paved the way for the resurrection of a militant Islam that would turn vast regions of Iraq and Syria into borderless jihadi strongholds and inch closer to redrawing the map of the Middle East—in practical terms if not on paper. This is the story, pieced together over several trips into Syria and rare interviews with highly placed jihadi commanders on the front lines, of how it happened... It began, in mid-2011, with the Syrian regime's suspicious release of hundreds of jihadis from prison—a move that served Assad's strategy of presenting the uprising at once as a plot by Islamist extremists, agents of Israel and the West and a small number of disillusioned citizens with legitimate gripes who had fallen prey to "foreign conspirators." It also played, unwittingly or not, into Golani's hands... The truth was that al Qaeda had never really been an established presence in Syria. Historically, the Syrian Muslim Brotherhood and its more violently sectarian offshoot, the Fighting Vanguard, were the country's most prominent Islamist organizations." Rania Abouzeid is an independent journalist who has covered the Middle East and Pakistan for 15 years.

# **Can General Linder's Special Operations Forces Stop the Next Terrorist Threat?**

Griswold, Eliza. The New York Times Magazine. June 13, 2014, var. pages.

"The United States Africa Command, known as Africom, was established in 2007 but stepped up its operations after the Arab Spring uprisings in 2011, when the overthrow of dictatorships from Tunisia to Libya to Egypt allowed militants and criminal networks to spread. In 2012, Al Qaeda and its affiliates seized control of Northern Mali and held a territory the size of Texas for nearly a year. With American support, French and Chadian forces managed to dislodge them, but they are still active in the region. In 2013, some 30 militants took over the Tigantourine gas facility in Algeria and killed 39 hostages. That same year, Somali militants raided the Westgate shopping center in Kenya's capital, leaving 67 dead. These attacks underscore how the threat to U.S. interests has shifted from Iraq and Afghanistan to Yemen and Africa. Linder arrived at Africom just after the storming of the diplomatic mission in Benghazi, Libya, in 2012. "Instability in Libya is causing a lot of the instability in West Africa," he said. But it isn't simply a matter of dots on a map. "I see the enemy, and then I look for connective tissue." With his index finger, he traced how the conflicts in Libya and Syria are flooding Africa to the south with weapons and fighters. "Foreign fighters coming out of Syria are a serious problem," he added. As terrorists move around and try to build networks between cells and like-minded organizations, Linder looks to break them apart." Eliza Griswold is the author of The Tenth Parallel: Dispatches From the Fault Line Between Christianity and Islam (Picador, 2011).

# **Egypt in Transition: The Third Republic**

Bassiouni, M. Cherif. Prism, no. 4 (2014), pp. 3-20.

"Throughout Egypt's history, the one thing that has always held it together is the sense of "Egyptian-ness." This includes the Muslim and the Copt, the rural and the urban, the rich and the poor. Egypt has progressed when its people have been united and regressed when its people have been divided. Field-Marshall el-Sisi's candidacy for the Presidency seems to have united a majority of the people behind him. There is high optimism in the county. But

repression of the MB and the pro-democracy movement is ongoing. Police abuses, particularly in the prison system, constitute numerous violation of international human rights In the meantime, Egyptians must avoid sectarianism. The MB must cease claiming that there is a religious war between the righteous and the kuffar, meaning anybody who disagrees with them or advocates secularism. The Salafists must realize that they, like the MB and other Islamists, are part of an Egypt that can claim adherence to Islamic values but must also establish a non-sectarian form of government that guarantees the rights of all citizens, Muslim and non-Muslim alike, irrespective of their faith, color, gender, and any other distinction." M. Cherif Bassiouni is Emeritus Professor Law at DePaul University, where he has taught since 1964, and President Emeritus of the International Human Rights Law Institute, which he helped found in 1990.

### **Identifying Truly Fragile States**

Kaplan, Seth. The Washington Quarterly. Spring, 2014, pp.49-63.

"Just as the international community tends to see stability as strength, it often equates crisis with fundamental fragility. Many countries face episodes of crisis, some of which can even initiate transitions to new political orders. But not all such countries are structurally fragile, plagued by deeply entrenched sociopolitical and institutional problems. Some states pass through their fragile moments relatively easily, leveraging their assets to reorient themselves in more positive directions within reasonable periods of time. States that are fundamentally fragile, however, buckle under these crises, stagnating or spiraling into violence. Fragile states are not like other states. They function—albeit barely— according to a different set of sociopolitical dynamics. As such, they harbor uniquely formidable obstacles to stability, development, and democracy. Because of these problems, all transitions are not created equal, and the underlying strength or fragility of societies undergoing those transitions helps determine their success and, more broadly, the prospects for political and economic development. The predominant measures used to gauge the strength and progress of fragile countries have centered on a narrow view of governance, ignoring the critical factors discussed below that truly determine fragility." Seth Kaplan, a Professorial Lecturer in the School of Advanced International Studies (SAIS) at Johns Hopkins University, is the author of Betrayed: Politics, Power, and Prosperity (Palgrave Macmillan, 2013) and Fixing Fragile States: A New Paradigm for Development (Praeger Security International, 2008).

**Keep Hope Alive: How to Prevent U.S.-Chinese Relations From Blowing Up** Steinberg, James; O'Halon, Michael. *Foreign Affairs*. July/August 2014, var. pages.

"East Asia's security and economic landscape is undergoing massive, tectonic change, driven primarily by China's remarkable economic rise in recent decades. That economic miracle, in turn, has made it possible for China to increase its military capacity and ramp up its political role in the region and beyond. China's leaders and prominent strategists have been at pains to insist that China's rise will be peaceful and poses no threat to its neighbors or the existing international political and economic order. But many members of the world community remain concerned and even skeptical, noting that history and international relations theory are replete with examples of conflict arising from clashes between a dominant and a rising power. Such

skepticism has been fueled, moreover, by China's own recent actions, from its assertive maritime operations in the East China and South China seas to its unilateral proclamation of an "air defense identification zone" around the Diaoyu Islands (known in Japan as the Senkaku Islands), in the East China Sea." James Steinberg is Dean of the Maxwell School of Citizenship and Public Affairs and Professor of Social Science, International Affairs, and Law at Syracuse University. Michael O'Halon is a Senior Fellow at the Center for 21st Century Security and Intelligence and Director of Research for the Foreign Policy Program at the Brookings Institution. They are the authors of Strategic Reassurance and Resolve: U.S.-China Relations in the Twenty-first Century (Princeton University Press, 2014), from which this essay is adapted.

### **The Illusion of Chinese Power**

Shambaugh, David. National Interest. July/August, 2014, pp. 39-48.

"Certainly China is the world's most important rising power—far exceeding the capacities of India, Brazil and South Africa—and in some categories it has already surpassed the capabilities of other "middle powers" like Russia, Japan, Britain, Germany and France. China possesses many of the trappings of a global power: the world's largest population, a large continental land mass, the world's second-largest economy, the world's largest foreign-exchange reserves, the world's second-largest military budget and largest standing armed forces, a manned space program, an aircraft carrier, the world's largest museum, the world's largest hydroelectric dam, the world's largest national expressway network and the world's best high-speed rail system... When we look at China's presence and behavior on the world stage today, we need to look beyond its superficially impressive capabilities and ask: Is China actually influencing the actions of others and the trajectory of international affairs in various domains? The short answer is: not very much, if at all. In very few—if any—domains can it be concluded that China is truly influencing others, setting global standards or shaping global trends. Nor is it trying to solve global problems. China is a passive power, whose reflex is to shy away from challenges and hide when international crises erupt. The ongoing crises in Ukraine and Syria are only the most recent examples of Beijing's passivity." David Shambaugh is a professor of political science and international affairs and director of the China Policy Program in the Elliott School of International Affairs at the George Washington University. He is also a nonresident senior fellow in the Foreign Policy Studies Program and Center for East Asian Policy Studies at the Brookings Institution. His most recent book is China Goes Global: The Partial Power (Oxford University Press, 2013).

### Far Eastern Promises: Why Washington Should Focus on Asia

Campbell, Kurt M.; Ratner, Ely. Foreign Affairs. May/June 2014, pp. 106-116.

"The US is in the early stages of a substantial national project: reorienting its foreign policy to commit greater attention and resources to the Asia-Pacific region. The Asia-Pacific region exerts an inescapable gravitational pull. But it is the trajectory of Asia's evolution, not just its dizzying scale, that makes the region so consequential. The region is the leading destination for US exports, outpacing Europe by more than 50%, according to the US Census Bureau. Both US direct investment in Asia and Asian direct investment in the US have roughly doubled in the

past decade according to the US Bureau of Economic Analysis. In addition to increasing US participation in Asia's multilateral forums, Washington should support the development of a rule-based regional order by throwing its full weight behind efforts to use international law and arbitration to address sovereignty disputes in the South China Sea." *Kurt M. Campbell is Chair and CEO of the Asia Group. From 2009 to 2013, he served as U.S. Assistant Secretary of State for East Asian and Pacific Affairs. Ely Ratner is a Senior Fellow in and Deputy Director of the Asia-Pacific Security Program at the Center for a New American Security.* 

# The Asian Attraction: Pivotal Priorities and Nuclear Dangers in U.S. Security Policy Cimbala, Stephen J. *Comparative Strategy*. Spring 2014, pp. 177–188

"The United States' military-strategic pivot toward Asia is motived by concerns about a rising China, about the increased significance of Asia on the world economic and political stages, and about the growing risks of nuclear proliferation and nuclear first use in that region. Nuclear Asia already numbers five acknowledged or de facto nuclear weapons states among its members: Russia, China, North Korea, India, and Pakistan. Failure to reverse North Korea's nuclear weapons status or political distrust among other powers may increase the number of Asian nuclear weapons states (including states with prospective nuclear-missile reach into Asia) to eight, creating an Asian-Middle Eastern nuclear arms race that defies containment. On the other hand, an alternative presents itself, in the form of a multilateral nuclear arms reduction agreement that would create three tiers of accepted nuclear weapons states and bar the door to new admits." Stephen J. Cimbala is Distinguished Professor of Political Science, Penn State Brandywine, and is the author of numerous books and articles in the fields of international security studies, defense policy, nuclear weapons and arms control, intelligence and other fields.

**New World Order: Labor, Capital, and Ideas in the Power Law Economy**Brynjolfsson, Erik; Mcafee, Andrew; Spence, Michael. *Foreign Affairs*. July/August 2014, pp.44-53.

"Recent advances in technology have created an increasingly unified global marketplace for labor and capital. The ability of both to flow to their highest-value uses, regardless of their location, is equalizing their prices across the globe. In recent years, this broad factor-price equalization has benefited nations with abundant low-cost labor and those with access to cheap capital. Some have argued that the current era of rapid technological progress serves labor, and some have argued that it serves capital. What both camps have slighted is the fact that technology is not only integrating existing sources of labor and capital but also creating new ones. This means that the real winners of the future will not be the providers of cheap labor or the owners of ordinary capital, both of whom will be increasingly squeezed by automation. Fortune will instead favor a third group: those who can innovate and create new products, services, and business models... Globalization and technological change may increase the wealth and economic efficiency of nations and the world at large, but they will not work to everybody's advantage, at least in the short to medium term... Political power, meanwhile, often follows economic power, in this case un- demining democracy. These challenges can and need to be addressed through the public provision of high-quality basic services, including

education, health care, and retirement security. Such services will be crucial for creating genuine equality of opportunity in a rapidly changing economic environment and increasing intergenerational mobility in income, wealth, and future prospects." " Erik Brynjolfsson is Schussel Family Professor of Management Science at the MIT Sloan School of Management and Co-Founder of MIT's Initiative on the Digital Economy. Andrew Mcafee is a Principal Research Scientist at the MIT Center for Digital Business at the MIT Sloan School of Management and Co-Founder of MIT's Initiative on the Digital Economy. Michael Spence is William R. Berkley Professor in Economics and Business at the NYU Stern School of Business.

### U.S. DOMESTIC POLICY AND TRENDS

#### **REPORTS**

The All-Of-The-Above Energy Strategy as a Path to Sustainable Economic Growth
The White House. May 2014 [PDF format, 42 pages]

"The U.S. energy sector is undergoing a profound transformation. The United States is producing more oil and natural gas, is generating more electricity from renewables such as wind and solar, and is consuming less petroleum while holding electricity consumption constant. These developments have had substantial economic and energy security benefits, and they are helping to reduce carbon emissions in the energy sector and thereby tackle the challenge posed by climate change... Some of the recent trends in the energy sector predate the Administration and stem from technological advances and risk-taking by American entrepreneurs and businesses, as well as from government-supported research and other public policies. The All-of-the-Above energy strategy supports these trends through environmentally responsible production of oil and natural gas. In addition, the Administration has advanced the growth of energy sources with low or zero carbon emissions through programs that support wind, solar, other renewables, and nuclear, and has also helped to reduce energy demand by promoting energy efficiency. The Administration is also supporting an ambitious program of carbon capture, utilization and storage for coal and natural gas power plants and for industrial facilities."

Made in the U.S.A.: Small Businesses and a New Domestic Manufacturing Renaissance
Testimony by Secretary of Commerce Bobby Hitt, South Carolina Department of Commerce
before the U.S. House Small Business Committee Subcommittee on Economic Growth, Tax and
Capital Access. March 13, 2014 [PDF format, 5 pages]

"Many industry observers have been talking about a manufacturing resurgence or 'renaissance' happening in the United States for the past few years. Research from the Boston Consulting Group confirms the trend, as you have heard this afternoon. On the national level, between January 2011 and December 2013, the U.S. added 434,000 manufacturing jobs, a gain of 3.7 percent. This rebound follows a decade-long decline in manufacturing employment at the

national level, where nearly five and a half million manufacturing jobs were lost, a decline of 32 percent. Speaking on behalf of South Carolina's lead economic development agency, our state is at the forefront of the manufacturing revival today. South Carolina, while a small state in physical size, has had a traditionally strong manufacturing presence. This sector continues to gain momentum. South Carolina's manufacturing GDP was \$28.7 billion in 2012. This is approximately 16.3 percent of the state's overall economy, a larger share than on the national level, where manufacturing accounts for 12 percent of the U.S. economy. Between the end of the recession (July 2009) and December of 2013, South Carolina added 15,600 manufacturing jobs, an increase of 7.4 percent –more than double the rate of growth on the national scale over the same time frame."

### The US Manufacturing Base: Four Signs of Strength

Moran, Theodore M.; Oldenski, Lindsay. Peterson Institute for International Economics. June 2014 [PDF format, 12 pages]

"Laments over the decline of the manufacturing base in the United States are widespread. But while manufacturing employment has steadily declined for many decades, more direct measures of manufacturing productivity show that the growth of the US manufacturing sector has actually been strong and not simply in the subsectors affected by computer production. In the last two years, the United States has been doing much better than most of the rest of the world, including China. In addition, the Policy Brief shows that increased offshoring by US manufacturing multinational corporations (MNCs), a phenomenon criticized as contributing to domestic job losses, is actually associated with overall greater investment and increases in jobs at home. New evidence also suggests positive effects of offshoring by US manufacturers on research and development (R&D) spending in the United States." Theodore H. Moran is a nonresident senior fellow at the Peterson Institute for International Economics. He holds the Marcus Wallenberg Chair at the School of Foreign Service in Georgetown University. Lindsay Oldenski is a nonresident senior fellow at the Peterson Institute for International Economics and assistant professor of international economics at the School of Foreign Service in Georgetown University.

### The Rise of Innovation Districts: A New Geography of Innovation in America

Katz, Bruce; Wagner, Julie. The Brookings Institution. May 2014 [PDF format, 33 pages]

"As the United States slowly emerges from the Great Recession, a remarkable shift is occurring in the spatial geography of innovation. For the past 50 years, the landscape of innovation has been dominated by places like Silicon Valley—suburban corridors of spatially isolated corporate campuses, accessible only by car, with little emphasis on the quality of life or on integrating work, housing, and recreation. A new complementary urban model is now emerging, giving rise to what we and others are calling "innovation districts." These districts, by our definition, are geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators. They are also physically compact, transit-accessible, and technically-wired and offer mixed-use housing, office, and retail. Innovation districts are the manifestation of mega-trends altering the location preferences of people and

firms and, in the process, re-conceiving the very link between economy shaping, place making and social networking. In recent years, a rising number of innovative firms and talented workers are choosing to congregate and co-locate in compact, amenity-rich enclaves in the cores of central cities. Rather than building on green-field sites, marquee companies in knowledge-intensive sectors are locating key facilities close to other firms, research labs, and universities so that they can share ideas and practice "open innovation." Bruce Katz is a vice president at the Brookings Institution and founding director of its Metropolitan Policy Program. Julie Wagner is a nonresident senior fellow with the program.

### **Getting Smarter About Smart Cities**

The Brookings Institution; ESADE. April 2014 [PDF format, 8 pages]

"Over the last five years, the concept of the technology-driven "smart city" has captured the imagination of public, private, and nonprofit leaders alike. Yet for the rapid rise in interest, smart city deployments have failed to meet both private sector firms' adoption ambitions and the public sector's expectations for impact. Against this backdrop, the Brookings Institution's Metropolitan Policy Program and Barcelona's ESADE Business School brought together officials from cities throughout Europe, Canada, and the United States to better understand the promise and practice for smart cities around the world today... The Brookings/ESADE discussion consisted of a two-day workshop to investigate how public sector innovations can contribute to this effort. The first day included a public event featuring civic leaders from North America and Europe that are using emerging technologies to make the most of their limited budgets, accelerate the implementation of new digital solutions, and grow their metropolitan economies. On the second day, participants representing eight cities across two continents contributed to a private working session further investigating these issues. What follows is a distillation of the key themes and takeaways from the workshop."

# FDI in U.S. Metro Areas: The Geography of Jobs in Foreign- Owned Establishments Saha, Devashree, et.al. The Brookings Institution. June 2014 [PDF format, 63 pages]

"This paper advances the understanding of foreign direct investment (FDI)—that is to say, the U.S operations of foreign companies—in U.S. metro areas in three ways. First, it provides a framing of what FDI is and why it matters for the United States and its regions. Then it presents new data on jobs in foreign-owned establishments (FOEs) across the nation's 100 largest metropolitan areas between 1991 and 2011. It concludes with a discussion of what policymakers and practitioners can do to maximize the amount, quality, and economic benefits of FDI into the United States. Foreign-owned U.S. affiliates directly employ some 5.6 million workers spread across every sector of the economy. The nation's largest metro areas contain nearly three-quarters of all jobs in FOE's." Devashree Saha is an Associate Fellow at the Metropolitan Policy Program at Brooking.

### U.S. Metro Economies: GMP and Employment 2013-2015

United States Conference of Mayors; The Council on Metro Economies and the New American City. June 2014 [PDF format, 132 pages]

"After a weak first quarter, battered by the harsh winter weather, the nation is expected to gather momentum during the remainder of the year. Improved global growth will support stronger exports, while business and consumer spending will also gain some traction. Metro economies will lead the way, first enabling the nation to at last recover the jobs lost during the recession, and then propelling the US economy to achieve its growth potential of greater than 3% real gains per year, a rate not reached since 2004. In 2015 almost half of all metros will exceed the 3% growth rate. Of course, not all metros will recover lost jobs this year, or be able to generate such growth. Economic activity is improving across the nation, but much work still needs to be done in many of the nation's metros."

### **Growing Small Business Exports, Growing U.S. Jobs**

Testimony by Ms. Jennifer Verdon, Manager of International Business, Idaho Commerce Department before the Senate Committee on Small Business and Entrepreneurship. June 18, 2014 [PDF format, 3 pages]

"In the past two years we had the unique opportunity to use federal funding provided by the Small Business Administration in form of the so called STEP grant to provide additional resources and funding to our small companies to enhance export sales and job creation. This is the first time that export funding was made available to non-agricultural product and service companies. The STEP grant funding Administered through the Small Business Administration (SBA) has had a significant impact on the small business community in Idaho. To paint a clear picture of Idaho's economy... Small businesses in Idaho represent 96.8 percent of all employers. Over 280,000 jobs in Idaho are supported by small businesses and 75 percent of the small businesses in Idaho have less than 20 employees... Since receiving the STEP money, we have funded a total of 110 small companies' export promotion activities. Over 18 percent of these companies were new to exporting and initiated their first export activities and sales due to the program."

### **United States Small Business Friendliness Survey**

Thumbtack; Ewing Marion Kauffman Foundation. June 2014.

This is the third annual Thumbtack.com Small Business Friendliness Survey. The study, drawing upon data from over 12,000 small business owners, provides new insights into state and local business environments across the U.S. This survey shows that small business owners in Utah, Idaho, Texas, Virginia and Louisiana gave their states the highest rating for friendliness to small business. The Thumbtack.com Small Business Friendliness Survey is the largest survey of its kind and is the only survey to obtain data from an extensive, nationwide sample of small business owners to determine the most business-friendly locations. The survey ranked 82 cities and most states on what makes a positive environment for small businesses.

### Self-Employment, Family-Business Ownership, and Economic Mobility.

Brown, Elizabeth; Nichols. Austin. Urban Institute. May 28, 2014 [Note: contains copyrighted

### material] [PDF format, 22 pages]

"Surprisingly little is known about whether self-employment and family businesses promote mobility, despite a recurring theme in the policy discourse of families achieving upward economic and social mobility through entrepreneurship. The rewards of entrepreneurship can be great for those who succeed, but the risks are also greater. Looking over numerous decades of panel data on Americans, we document that family-business owners have more upward mobility and less downward mobility than wage-and-salary workers, but that the self-employed do not outperform other workers... The American Dream has often included the idea of getting ahead by founding a successful small business. Upward mobility driven by entrepreneurship is a notion invoked by policymakers at the highest levels, most recently by President Obama who declared November 2013 National Entrepreneurship Month. Hundreds of government, nongovernmental, and foundation programs throughout the United States promote selfemployment and small business ownership as a path out of unemployment or welfare rolls. While many Americans choose self-employment or start their own business in search of fortune, others are motivated by a desire for ownership, or independence, a better quality of life, or a more accommodating schedule. The choice to become self-employed or start a family business may have long-term consequences, but there is little evidence on the impacts of entrepreneurship on economic mobility". Austin Nichols is a Senior Research Associate in The Urban Institute's Income and Benefits Policy Center.

From Germany to Mexico: How America's source of immigrants has changed over a century Krogstad, Jens Manuel; Michael Keegan. Pew Research Center for the People & the Press. May 27, 2014

"With more than 40 million immigrants, the United States is the top destination in the world for those moving from one country to another. Mexico, which shares a nearly 2,000-mile border with the U.S., is the source of the largest wave of immigration in history from a single country to the United States. But today's volume of immigrants, in some ways, is a return to America's past. A century ago, the U.S. experienced another large wave of immigrants. Although smaller at 18.2 million, they hailed largely from Europe. Many Americans can trace their roots to that wave of migrants from 1890-1919, when Germany dominated as the country sending the most immigrants to many of the U.S. states, although the United Kingdom, Canada and Italy were also strongly represented... Today, five times as many immigrants in the U.S. are from Mexico than China, the country with the second-highest number of immigrants (5% of all immigrants in the U.S., or 2.2 million). Mexico is the birthplace of 29% (or 11.7 million) of all immigrants in the United States." Jens Manuel Krogstad is a Writer/Editor at the Pew Research Center's Hispanic Trends Project. Michael Keegan is an Infographics Designer at the Pew Research Center.

#### Latino Jobs Growth Driven by U.S. Born

Kochhar, Rakesh. Pew Research Hispanic Trends Project. June 19, 2014.

"For the first time in nearly two decades, immigrants do not account for the majority of Hispanic workers in the United States. Meanwhile, most of the job gains made by Hispanics

during the economic recovery from the Great Recession of 2007-09 have gone to U.S.-born workers, according to a new Pew Research Center analysis of government data. In 2013, 49.7% of the more than 22 million employed Latinos were immigrants. This share was down sharply from the pre-recession peak of 56.1% in 2007. Although Latinos have gained 2.8 million jobs since the recession ended in 2009, only 453,000 of those went to immigrants. Moreover, all of the increase in employment for Latino immigrants happened in the first two years of the recovery, from 2009 to 2011. Since then, from 2011 to 2013, the employment of Latino immigrants is unchanged. This development is mostly due to the waning inflow of Hispanic immigrants. The Great Recession, a tepid jobs recovery, tighter border controls and more deportations have served to mitigate migration to the U.S. from Latin America, especially Mexico, in recent years. Since the recession started in December 2007, the growth in the Latino immigrant workforce (people ages 16 and older) has slowed dramatically even as the Latino U.S.-born workforce continues to expand at a rapid pace." *Rakesh Kochhar is Associate Director for Research at the Hispanic Trends Project*.

### What Americans Want from Immigration Reform in 2014

Jones, Robert P., et. al. Public Religion Research Institute (PRRI); The Brookings Institution. June 10, 2014.

Religion, race, political affiliation, and media source are all indicators of the immigration policy that one chooses to support, this survey concludes. The survey finds that the issue of immigration reform has support across party lines, although there are notable differences in the intensity of support. PRRI and Brookings also find that opposition to immigration reform in 2014 may become a bigger liability for candidates. PRRI and Brookings are sharing further data about how Americans view immigration reforms with results from a panel call back the organizations conducted more recently... "At present, 62% of Americans favor providing a way for immigrants who are currently living in the United States illegally to become citizens provided they meet certain requirements, while 17% support allowing them to become permanent legal residents but not citizens, and roughly 1-in-5 (19%) favor a policy that would identify and deport all immigrants living in the United States illegally. Current support for a path to citizenship is nearly identical to support levels one year ago (March 2013) when 63% of Americans supported a path to citizenship for immigrants who are living in the United States illegally. The issue of immigration reform has support across party lines, although there are notable differences in the intensity of support." Robert P. Jones is the CEO of PRRI and a leading scholar and commentator on religion, values, and public life. He is the author of two academic books and numerous peer-review articles on religion and public policy.

### **Beyond Red vs. Blue: The Political Typology**

Pew Research Center for the People & the Press. June 26, 2014. [Note: contains copyrighted material] [PDF format, 185 pages]

This is the second report of a multi-part series based on a national survey of 10,013 adults nationwide, conducted January 23-March 16, 2014 by the Pew Research Center. This survey is aimed at understanding the nature and scope of political polarization in the American public,

and how it interrelates with government, society and people's personal lives. "Partisan polarization, the vast and growing gap between Republicans and Democrats, is a defining feature of politics today. But beyond the ideological wings, which make up a minority of the public, the political landscape includes a center that is large and diverse, unified by frustration with politics and little else. As a result, both parties face formidable challenges in reaching beyond their bases to appeal to the middle of the electorate and build sustainable coalitions."

# <u>Learning without Teachers? A Randomized Experiment of a Mobile Phone-Based Adult Education Program in Los Angeles</u>

Aker, Jenny C., et. al. Center for Global Development. May 22, 2014. [PDF format, 56 pages]

"Over 755 million adults worldwide are unable to read and write in any language. Yet the widespread introduction of information and communication technology offers new opportunities to provide standardized distance education to underserved illiterate populations in both developed and developing countries. Using data from a randomized experiment of an innovative mobile phone-based adult education program in Spanish (Cell-Ed) in Los Angeles, we find that the Cell-Ed program significantly increased students' basic and broad reading scores, equivalent to a 2-4 year increase in reading levels over a four-month period. The program also increased participants' self-esteem by 7 percent as compared with the comparison group. . Unlike many other technology-enhanced education programs, the Cell-Ed learning curriculum was completely provided via a series of voice and SMS-based operations on the mobile phone, and therefore did not require teacher instruction or in-situ learning... Our results suggest that there is great scope for using information technology as a means of improving educational skills for illiterate adults." Jenny C. Aker is an Assistant Professor of Economics at the Fletcher School and Department of Economics at Tufts University. She is also a Non-Resident Fellow at the Center for Global Development

#### **ARTICLES**

### Where the American Startup Dream is Moving: Downtown

Katz, Bruce; Wagner, Julie. Fortune. June 13, 2014, var. pages.

"Cities and metropolitan areas, in the United States and abroad, are the driving engines of national economies and innovation. Yet the geography of their innovation is shifting dramatically. Over the past 50 years, the landscape of innovation has been dominated by places like Silicon Valley—suburban corridors of auto-centric, isolated corporate campuses. Today, a new model is emerging: "innovation districts." These districts cluster cutting-edge research institutions and R&D-intensive companies with start-ups and business incubators. They are physically compact, transit-accessible, and offer mixed-use housing, office, and retail. The emergence of these districts is occurring in all kinds of metro areas. In the United States, they can be found near research universities and medical complexes in the downtowns and midtowns of cities such as Philadelphia, Pittsburgh, and St. Louis. Others are found on the sites of former industrial districts in Boston, Brooklyn, and Seattle. The greatest validation of this shift is in the recent efforts of traditional exurban science parks—such as Research Triangle

Park in Raleigh-Durham—to urbanize in order to keep pace with the preferences of their workers and firms for more urbanized, vibrant environments." Bruce Katz is Brookings vice president and co-director of the Brookings Metropolitan Policy Program and the co-author of "The Metropolitan Revolution." Julie Wagner is a non-resident senior fellow at the Brookings Metropolitan Policy Program.

### **Detroit Adapting to New Realities of Metro Revolution**

Katz, Bruce; Bradley, Jennifer. The Avenue Blog. June 17, 2014, var. pages.

The authors describe how Detroit is following the new rules for urban and regional success in the face of bankruptcy and federal gridlock. "Nearly 10 percent of the Detroit metropolitan area's workforce is employed in R&D intensive, STEM-oriented "advanced industries" —one of the highest concentrations in the nation. Auto manufacturing is one of these industries, but there is also a strong education and health care sector, and a burgeoning digital and creative sector, both concentrated in the Midtown and Downtown neighborhoods that comprise Detroit's proposed innovation district... The New Economy Initiative and the Detroit Economic Growth Corporation are fostering a strong ecosystem of big businesses and local suppliers in the proposed innovation district: Benchmark organizations spent \$200 million more (a 31 percent jump) on goods and services from local suppliers this year than last." Bruce J. Katz is a vice president at the Brookings Institution and founding director of the Brookings Metropolitan Policy Program and the co-author together with Bruce J. Katz of The Metropolitan Revolution (Brookings Press, 2013).

### The Post-Post-Apocalyptic Detroit

Austen, Ben. The New York Times Magazine. July 11, 2014, var. pages.

"Economists fret that Detroit, in the absence of the manufacturing economy that built it, no longer has any reason to be. And indeed, large chunks of the sprawling, 139-square-mile city have literally vanished: Of Detroit's 380,000 properties, some 114,000 have been razed, with 80,000 more considered blighted and most likely in need of demolition. But the new prospectors have an abiding faith that cities, like markets, are necessarily cyclical, and that the cycle has finally come around. It is the same ethos that turned other urban disasters into capitalist boomtowns — New Orleans after Hurricane Katrina or the cities of Western Europe after World War II. If the scale of Detroit's failure is unprecedented, then so (the local reasoning goes) is the scale of its opportunity. In the process, the Motor City has become the testing ground for an updated American dream: privateers finding the raw material for new enterprise in the wreckage of the Rust Belt. Whether or not they're expecting to profit, Gilbert and other capitalists — large and small — are trying to rebuild the city, even stepping in and picking up some duties that were once handled by the public sector." Ben Austen is a frequent contributor to the New York Times Magazine.

### The Crucial Role of Honest Government in Urban Recovery

Eichenthal, David. Governing. July 14, 2014, var. pages.

"It's long been recognized that reducing fraud, waste, abuse and corruption in government is an essential component of economic-development strategy for developing nations. In 2003, the United Nations declared that "corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development. Yet in the United States, corruption prevention and the related need for governance reform are rarely seen as a key component for urban turnaround efforts. While the federal government has a robust corruption-prevention effort, including a \$2 billion-a-year inspector-general system, most cities and counties -- even some of the largest of them -- lack an IG and make only modest investments in auditors and local legislative oversight." David Eichenthal is executive director of the Strong Cities Strong Communities National Resource Network. He is the co-author of The Art of the Watchdog: Fighting Fraud, Waste, Abuse and Corruption in Government (Excelsior Editions/State University of New York, 2014)

### **The Booming Industry Of Startups Serving Startups**

Boitnott, John. FastCompany. June 2014, var. pages.

"In the modern-day version of the California Gold Rush, there are many entrepreneurs looking to get rich the way Levi Strauss did; by helping the prospectors. The prospectors in this case are startup founders. It's a trend that people in San Francisco and Silicon Valley are calling "startups serving startups." These companies do a wide variety of things, from payroll and customer support, to catering and financial planning for employees. They are catching peoples' attention not just because of how fast they are growing, but because they have a business model that is symbiotic with the health of other startups. As a result they are specializing their solutions for different parts of small business, creating efficient sub-systems for companies that would never have the resources to spec and build such systems themselves." John Boitnott is a longtime digital consultant and journalist living in the San Francisco Bay Area.

125 Years of Change in the U.S. Economy—and the Dow; How the Business World Has Been Transformed, From the Democratization of Capital to the Rise and Fall of Labor Gordon, John Steele. *The Wall Street Journal*. July 7, 2014.

"Economists, thanks to Alfred Marshall and his great pupil John Maynard Keynes, usually think of an economy as a machine. Properly tuned, it hums along, throwing off wealth and prosperity for all. But machines cycle and economies do not, especially in the post-Industrial Revolution era of constant technological development. Instead, economies evolve and are never the same one year to the next. The proper analogy for a modern economy, therefore, is not a machine but an ecosystem. For the past 125 years, The Wall Street Journal has been covering the evolution of the American economic ecosystem and the businesses that make it up. It has thus chronicled the most extraordinary period of economic change and growth in world history... Over the past 125 years, the American economic ecosystem has been characterized by everincreasing mechanization and then digitization of the workplace, the democratization of the workplace and of capital, the rise and fall of great industries, the rise and fall of the labor movement. The next 125 years are likely to be even more dramatic and change-filled." John

Steele Gordon is the author of "An Empire of Wealth: The Epic History of American Economic Power."

### **Battle for the U.S. Senate**

Cook, Charles. The Washington Quarterly. Summer 2014, pp.159-163.

"The battle for control of the U.S. House of Representatives was over before it even started, but the fight for control of the U.S. Senate is proving to be a knock-down, drag-out affair that could easily go either way... The U.S. Senate is currently split between 55 Democrats and 45 Republicans, meaning that the GOP needs a net gain of six seats to take the majority. Today, the party's effort to win those seats is getting some help from an almost perfect storm of factors that are battering Democrats. First, the Senate map and numbers of seats on the ballot both point to an enormously disproportionate exposure to losses for Democrats. Second, this is a mid-term election, making the timing less than ideal for the Democratic Party. In presidential election years, the general election electorate is highly diverse, and largely resembles the make-up of the country as a whole. In mid-term general elections, however, voter turnout is generally older, whiter, more conservative, and more Republican. Third, the national mood these days is particularly tough for Democrats."

### **What Really Matters in Midterm Elections?**

Roller, Emma. National Journal. July 14, 2014, var. pages.

"It's a well-worn piece of conventional wisdom: The economy is the dominant factor in presidential elections. But what about in midterm years?. It's easy to get caught up in the gaffe-of-the-day coverage that congressional campaigns attract, but if you want to have a good handle on the state of the midterm elections, it's more useful to think about the fundamentals... For midterms, the economy may not matter as much as you'd think. But while the state of the economy may not be the deciding factor in midterms, as it often is during presidential elections, it's often the issue at the forefront of voters' minds. Historically, unemployment hasn't had much of an impact on presidential-party losses in the midterms; but it remains the most sensitive issue to many voters." Emma Roller writes for the National Journal.

### The California High-Speed Rail Debate—Kicking Things Off

Fallows, James. The Atlantic. July 9, 2014, var. pages.

"A little more than a year ago, when I did an article on the successful second-act governorship of Jerry Brown, I said that among his major ambitions for the state was to create a north-south High-Speed Rail project, or HSR. There wasn't space to go into it at the time, but I was a fan of the project then, and have become more so as time has gone on, even as political controversy about it has mounted. Reasons for my initial pro-HSR outlook: If you have lived any place where HSR is up and running, you see the difference it can make; If you have lived or worked any place in America with even medium-speed rail service, you see the difference it has made. Amtrak also has its flaws, to put it mildly. But just imagine life along the Bos-Wash corridor without it; If

you even start to think what already-congested, still-growing California will be like without some alternative to increased reliance on cars and airlines, you get depressed." James Fallows is a national correspondent for The Atlantic and has written for the magazine since the late 1970s. He has reported extensively from outside the United States and once worked as President Carter's chief speechwriter.

### **How to Read Education Data Without Jumping to Conclusions**

Lahey, Jessica. The Atlantic. July 8, 2014, var. pages.

"With research findings widely available on websites and Twitter feeds, it's easier than ever to oversimplify the results—and risk bringing half-formed ideas into America's classrooms... Education has entered the era of Big Data. The Internet is teeming with stories touting the latest groundbreaking studies on the science of learning and pedagogy. Education journalists are in a race to report these findings as they search for the magic formula that will save America's schools. But while most of this research is methodologically solid, not all of it is ready for immediate deployment in the classroom." Jessica Lahey is a correspondent for The Atlantic and a former English, Latin, and writing teacher. She writes about education and parenting for The New York Times and on her site, Coming of Age in the Middle.

Information Provided by the Research Unit U.S. Embassy Madrid <a href="http://madrid.usembassy.gov">http://madrid.usembassy.gov</a>

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